



U.S. Immigration
and Customs
Enforcement

News Release

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MAN PLEADS GUILTY TO FEDERAL CHARGES AFTER SWINDLING MORE THAN \$24 MILLION FROM LOCAL VICTIMS *Phony investment program misled hundreds of South Bay residents*

SAN DIEGO – A Chula Vista man pleaded guilty here earlier this week to money laundering and mail fraud charges for his role in a sophisticated investment scam that bilked hundreds of middle and low-income investors out of more than \$24 million.

Edmundo Rubi, 47, entered his plea Monday in U.S. District Court. The highly lucrative pyramid scheme involving Rubi, his wife Luisa Rubi, 47, and a third business partner, came to light as a result of a five-year investigation by U.S. Immigration and Customs Enforcement (ICE) and the Internal Revenue Service (IRS).

Investigators say that over a two-year period beginning in 1999, the couple induced 425 people, mostly members of the close-knit Filipino community in the South Bay, to invest in their fraudulent Knight Express program. The investors, who were told their funds would be used to purchase and resell Federal Reserve notes, were promised a six percent monthly return.

The Rubi's, together with their business partner, Genaro Aquino, 54, attempted to maintain the Ponzi scheme by paying off early investors with money obtained from newcomers, while converting millions of dollars for their personal use. Aquino pleaded guilty to federal income tax violations last month in federal court.

The probe into Knight Express began after a source tipped off investigators about the company's suspicious activities. Undercover agents subsequently met with Edmundo Rubi and gathered more evidence about the fictitious trading scheme.

Aware he was under suspicion, Edmundo fled the United States. After obtaining a warrant for his arrest, investigators launched an international search. Ultimately, ICE agents tracked Edmundo to the Philippines. Filipino authorities deported Edmundo to Guam where he was arrested by ICE in June 2003.

Edmundo's criminal sentencing is scheduled for February 2006. His wife pleaded guilty to passport fraud a year ago and was released after serving her prison term.

So far, ICE and IRS investigators have recovered \$3.5 million of investors' money and much of it has been returned to the known victims. The bulk of the money was located in foreign accounts on Guernsey Island in the English Channel.

Agents in San Diego, working closely with the court appointed trustee, are asking anyone who fell victim to this scam to contact the local ICE office at (619) 744-4718.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.